

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6121

BILL NUMBER: HB 1017

NOTE PREPARED: Feb 24, 2004

BILL AMENDED: Feb 23, 2004

SUBJECT: Underground Storage Tank Fee Penalties.

FIRST AUTHOR: Rep. Grubb

BILL STATUS: 2nd Reading - 2nd House

FIRST SPONSOR: Sen. Gard

FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: State

Summary of Legislation: (Amended) The bill prohibits a penalty from being assessed against the owner of an underground storage tank for any failure to pay an annual registration fee in connection with the tank due before January 1, 2004, if the owner registered the tank before January 1, 2004.

Effective Date: July 1, 2004.

Explanation of State Expenditures:

Explanation of State Revenues: According to current statute, the Department of Environmental Management (Department) requires owners of underground storage tanks (USTs) to annually register each tank and pay a registration fee. If that fee is not paid, the Department may assess up to a \$2,000 penalty for each year the fee is past due. This bill keeps the Department from assessing a penalty against UST owners who registered their tanks by January 1, 2004 but originally failed to register or pay the registration fee. The Department estimates it will lose approximately \$36,000 in penalty fees due to this bill, however, it also reports that refunding the penalties will not impact the Department as it does not rely on the funds to support its programs.

Background - The Department distributes the penalty revenue between three funds: Hazardous Substances Response Trust Fund, Underground Petroleum Storage Tank Excess Liability Trust Fund (ELTF), and Underground Petroleum Storage Tank Trust Fund. For storage tanks holding petroleum, the penalty revenue is split in half between the ELTF and Underground Petroleum Storage Tank Trust Fund; for tanks holding regulated substances other than petroleum, penalty revenue is deposited in the Hazardous Substances Response Trust Fund.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: IDEM

Local Agencies Affected:

Information Sources: IDEM

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